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~~ANNUAL~~
REPORT
AND
ACCOUNTS
2001-2002



RELIANCE JUTE MILLS
(INTERNATIONAL) LIMITED

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RELIANCE
JUTE MILLS
(INTERNATIONAL)
LIMITED

MANAGING DIRECTOR

SHRI S. HADA

DIRECTORS

SHRI P. K. KANORIA
SHRI P. CHAKRAVARTI
SHRI N. SUCHANTI
SHRI P. K. SINGHI
SHRI P. K. MOOKERJEE
SHRI S.C. DAGA

SECRETARY

SHRI M. K. BATHWAL

BANKER

PUNJAB NATIONAL BANK

AUDITORS

LODHA & COMPANY
CHARTERED ACCOUNTANTS
14, GOVERNMENT PLACE EAST
KOLKATA 700 069

REGISTERED OFFICE

“VNSS BUSINESS CENTRE”
IDEAL PLAZA, SOUTH BLOCK
11/1, SARAT BOSE ROAD
KOLKATA 700 020
PH. : 280-7017/8/9 FAX : 280-7016

FACTORY

RELIANCE JUTE MILLS
BHATPARA, 24 PARGANAS (N)
WEST BENGAL

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RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED
DIRECTORS' REPORT

To
The Shareholders,
Reliance Jute Mills (International) Limited,
Ladies & Gentlemen,

The Directors of your Company have pleasure in presenting their Report together with the audited Accounts of the Company for the 9 months period ended 31st March, 2002.

FINANCIAL RESULTS :

During the period, before providing for depreciation and interest, there was an operating profit of	Rs. 1,29,85,354
Out of which, provisions have been made for Depreciation	Rs. 77,26,335
And Interest	Rs. 57,62,542
Which leaves a deficit of	Rs. 5,03,523
After adjustment of deferred tax asset for the period	Rs. (4,27,259)
There is a net loss of	Rs. 76,264

DIVIDEND :

In view of loss during the period, no dividend has been recommended.

OPERATIONS :

The working results of the Company's Jute Mill during the period has been unfavourable due to labour unrest resulting in suspension of work on two occasions, increase in labour and other costs without there being commensurate increase in the finished goods prices. The reduction of external market assistance by 50% with effect from 1.4.2001 also resulted in lower realization. There was a steep increase in D.A. from the month of November, 2001 and it has also been challenged in the Court. A stay was granted and the matter is now subjudice. But inspite of this stay, the industry, on request from West Bengal Government, has paid the increased D.A. until the final orders of the Court.

During the period there was an industry-wise tripartite agreement where among other things a formula was worked out to link wages to productivity. A new wage rate for employment of new workers was also decided. But unfortunately the industry could hardly make progress in the matter of linking wages to productivity. In some mills, where it was tried, there was labour unrest.

In the current year a bumper jute crop is expected and therefore, raw jute

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RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED
prices are expected to remain at a reasonable level. But the jute goods prices are likely to remain under pressure because of the dilution of the mandatory packaging order. Abolition of EMA on jute yarn w.e.f. 1.4.2002 will also lead to lower realization.

The electricity charges have been raised exorbitantly on the basis of the order of Hon'ble High Court, Calcutta, for which appeal has been preferred by the Central Electricity Regulatory Commission and also some NGOs. The matter is now pending in the Hon'ble Supreme Court.

The Current year's working shall very much depend on how much the labour, power and other costs are contained and the behaviour of the jute goods market.

DIRECTORS :

Shri P. Chakravarti and Shri N. Suchanti retire from the office of Directors at the forthcoming Annual General Meeting of the Company, but being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that -

- (a) the applicable accounting standards have been followed in the preparation of the annual accounts along with proper explanation relating to material departures (Refer Note No.17 under Financial Notes);
- (b) such accounting policies have been selected and applied consistently and judgements and estimates made reasonably and prudently so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2002 and its loss for the period ended on that date;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on the basis of a going concern.

SUBSIDIARY :

The audited accounts of Sangod Traders & Investors Limited, a wholly owned subsidiary of the Company, together with its Directors' and Auditors' Reports thereon are attached. As per a Scheme of Amalgamation duly approved by Calcutta High Court, the subsidiary has merged with the Company w.e.f. 1.4.2002. The consolidated accounts, as required, are also presented herewith.

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RELIANCE JUTE MILLS (INTERNATIONAL) LTD.

AUDITORS'

The Company's Auditors, M/s.Lodha & Company, Chartered Accountants, Kolkata, retire at the forthcoming Annual General Meeting of the Company and are eligible for reappointment.

M/s.N.Radhakrishnan & Co., Cost Accountants have been appointed, subject to requisite approval, to conduct an audit of the Cost Accounts maintained by the Company for the year ended 31st March, 2003, as directed by the Central Government.

AUDITORS' REPORT :

Points raised in the Auditors' Report are mentioned in the Notes which are self-explanatory.

DISCLOSURE WITH RESPECT TO CONSERVATION OF ENERGY, ETC. :

The particulars with respect to Conservation of Energy etc., pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure 'A' to the Directors' Report.

PARTICULARS OF EMPLOYEES :

The provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are not applicable as none of the employees of the Company is in receipt of remuneration in excess of the limits laid down therein.

APPRECIATION :

The Directors appreciate the co-operation and assistance received from the Financial Institutions, Banks and the Government during the period under review.

The Directors also wish to place on record their appreciation of the devoted services rendered by the Company's staff at all levels.

Ideal Plaza, 11/1, Sarat Bose Road,
Kolkata, the 29th day of June, 2002

On behalf of the Board of Directors,
P. K. KANORIA
Chairman

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REVENUE UT MILLS (INTERNATIONAL) LIMITED
ANNEXURE - 'A'

ANNEXURE TO DIRECTORS' REPORT FOR THE PERIOD ENDED 31.3.2002

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

There is continuous consciousness by the Company to conserve energy. Some of the steps taken includes proper maintenance of equipments to reduce frictional losses, elimination of unproductive consumption, reallocation of load, etc.. Necessary investments wherever required, are being made.

Total Energy Consumption and Energy Consumption per unit of production as per prescribed Form 'A' :

FORM - 'A'

A) POWER AND FUEL CONSUMPTION

	Current Period	Previous Year
1) ELECTRICITY :		
(a) Purchased Units	1,31,92,528	1,89,24,968
Total Amount (Rs.)	5,36,68,095	8,04,83,974
Rate per Unit (Rs.)	4.07	4.25
(b) Own Generation :		
(i) Through D.G. Units	2,74,649	9,03,721
Units per litre of Diesel Oil	3.27	3.19
Cost/Unit (Rs.)	5.08	4.62
2) COAL :		
(B Grade, used for generation of steam in boiler)		
Quantity (Tonnes)	1,495.23	2,293.10
Total cost (Rs.)	36,03,711	50,86,906
Average Rate (Rs.) per tonne	2,410.14	2,218.35

B) CONSUMPTION PER UNIT OF PRODUCTION

Products : JUTE GOODS	UNIT		
Production :	M.T.	26,912	40,488
Consumption :			
Electricity	Unit	500	490
Coal	KG.	55.60	56.60

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RELIANCE TEXTILE MILLS (INTERNATIONAL) LIMITED

B. TECHNOLOGY ABSORPTION :

I) Research & Development (R & D)

The thrust of R & D activity has been in the area of quality improvement of yarn meant for export as also for development of diversified value added product-range, process development and fibre upgrading with due help from IJIRA.

The above has helped us in product development, quality improvement and operational efficiency.

It is proposed to carry out further R & D activities in the areas mentioned above.

Details in respect of R & D expenditure are included in appropriate functional heads of accounts.

II) Technology absorption, adaptation and innovation

The Company is always working towards adaptation of latest technology in related fields and constant efforts have been made towards innovation. This has led to product development and improved efficiency resulting in some saving in costs.

No technology has been imported during the period.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

(a) Export Activities

During the period more initiatives have been taken to explore new export market and develop new products with the aim to maximise exports.

(b) Total Foreign Exchange used and earned during the period

	Current period	Previous Year
	Rs.	Rs.
Total Foreign Exchange Used	2,00,43,098	2,58,45,827
Total Foreign Exchange Earned	21,30,31,017	33,91,74,492

Ideal Plaza, 11/1, Sarat Bose Road,
Kolkata, the 29th day of June, 2002

On behalf of the Board of Directors,
P. K. KANORIA
Chairman

Information required to be furnished under the Listing Agreement :

- The names and addresses of the Stock Exchanges where the Company's shares are listed :-
The Calcutta Stock Exchange Association Limited
6, Lyons Range, Kolkata-700 001.
- The Listing Fees for the year 2002-2003 has been paid on time to the above Stock Exchange.

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RELIANCE STEEL MILLS (INTERNATIONAL) LIMITED
STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES
ACT, 1956 RELATING TO THE SUBSIDIARY COMPANY

1. Name of the Subsidiary Company : SANGOD TRADERS & INVESTORS LIMITED

2. The Financial year of the
Subsidiary Company ended on : 31st March, 2002

3. Extent of interest of the Company
in the Subsidiary Company : 100 %

4. The net aggregate amount so far as it concerns the members of the Holding Company
of the Subsidiary's Profits :
 - a) Not dealt with in the Company's accounts
 - i) For the financial year ended 31st March, 2002 : Rs. (68,334)
 - ii) For the previous financial years : Rs. 2,01,236

 - b) Dealt with in the Company's accounts
 - i) For the financial year ended 31st March, 2002 : Nil
 - ii) For the previous financial years : Nil

Ideal Plaza, 11/1, Sarat Bose Road,
Kolkata, the 29th day of June, 2002

M. K. BATHWAL — Mg. Director
Secretary
S. HADA — Director
P. K. KANORIA — Director